GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:954
ANSWERED ON:27.07.2001
HIGHER INTEREST RATES ON BANK DEPOSITS . DR.ASHOK PATEL
SRIKANTA DATTA NARASIMHARAJA WADIYAR

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have accorded its approval to the banks to offer higher interest rates on the deposits of the senior citizens as compared to the normal depositors;

(a) if so, the details thereof; and

(b) the time by which the enhanced interest rates are likely to be made effective?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (GINGEE N. RAMACHANDRAN)

(a) & (b): The Reserve Bank of India has permitted banks to formulate, with the approvalof their Board of Directors, fixed deposit schemes specifically for senior citizens offering higher and fixed rates of interest as compared to normal deposits of any size.

(c): Banks have already started offering additional interest over their normal rates of interest on fixed deposits under their special fixed deposit schemes for senior citizens.